

## Message Text

CONFIDENTIAL

PAGE 01 LIMA 02227 141950Z  
ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-10 LAB-04  
NSAE-00 SIL-01 DODE-00 PM-05 H-01 L-03 NSC-05  
PA-01 SP-02 SS-15 USIA-06 IO-13 /089 W  
-----106205 150453Z /17  
R 141845Z MAR 78  
FM AMEMBASSY LIMA  
TO SECSTATE WASHDC 9129

C O N F I D E N T I A L LIMA 2227

E.O. 11652: GDS  
TAGS: ELAB, PGOV, PE  
SUBJECT: LABOR UNREST

REF: (A) LIMA 1214, (B) LIMA 0798

SUMMARY: THE FAILURE OF THE FEB 27-28 GENERAL STRIKE DID NOT END PERUVIAN TRADE UNION CONCERNS ABOUT DECLINING REAL WAGES AND FIRED WORKERS. THE TEXTILE WORKERS, LIMA-CALLAO MUNICIPAL EMPLOYEES RAILROAD WORKERS OF PERU'S CENTRAL AND SOUTHERN LINES AND THE MINeworkERS OF THE STATE-OWNED CENTROMIN AND THE SOUTHERN PERU COPPER CORPORATION (SPCC) COMPLEXES AT ILO AND TOQUEPALA HAVE CONTINUED STRIKES OR STRIKE THREATS TO RESOLVE THESE ISSUES. THE GOP, TO COMPLY WITH IMF TERMS, WANTS TO MAINTAIN WAGE-PRICE RESTRAINT WHILE MINIMIZING SOCIAL UNREST TO ASSURE A RETURN TO DEMOCRACY. AT THE SAME TIME IT MUST AVOID PROLONGED STRIKES (PARTICULARLY IN THE MINING SECTOR) THAT WOULD ADVERSELY AFFECT PERU'S BALANCE OF PAYMENTS AND ECONOMIC RECOVERY.

1. THE TEXTILE WORKERS, SPORADICALLY ON STRIKE DURING THE PAST MONTH, DECIDED MARCH 11 TO SUSPEND THEIR NATIONAL STRIKE FOR 15 DAYS. LABOR LEADERS ARE OPTIMISTIC THAT A FINAL SETTLEMENT OF THEIR DEMANDS WILL BE REACHED THIS WEEK. THE TEXTILE FEDERATION CLAIMS APPROXIMATELY 30,000 MEMBERS, ABOUT 20,000 OF WHOM ARE IN THE LIMA-CALLAO AREA.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LIMA 02227 141950Z

2. LONG AND TEDIOUS NEGOTIATIONS TO RESOLVE WAGE DEMANDS OF LIMA CALLAO MUNICIPAL EMPLOYEES REPORTEDLY ENDED MARCH 10. THE MUNICIPAL WORKERS STRIKE (REF A) CENTERED ON A SALARY INCREASE. INITIALLY THE GOP HAD CLAIMED NO FUNDS EXISTED TO MEET STRIKERS' DEMANDS. HOWEVER, NEW TAXES REPORTEDLY WILL PROVIDE FUNDS TO MEET PAY RAISES WHICH, ACCORDING TO PRESS,

AVERAGE ABOUT 10 PERCENT. DESPITE REPORTED AGREEMENT, EMPLOYEES DID NOT RPT NOT RETURN TO WORK MARCH 14.

3. THE RAILROAD WORKERS OF THE CENTRAL AND SOUTHERN LINES HAD SOUGHT AN ANNUAL WAGE INCREASE (BASICALLY A COST OF LIVING ADJUSTMENT) ALONG WITH THE REHIRING OF 23 UNION LEADERS FIRED FOR STRIKE ACTIVITIES IN 1977. REPRESENTATIVES OF BOTH LINES ARE MEETING MARCH 13 WITH MINISTER OF TRANSPORTATION AND RAILROAD LEADERS ARE OPTIMISTIC THAT TRAIN SERVICE WILL RETURN TO NORMAL MARCH 15 OR 16. RAILROAD WORKERS EXPECT AT LEAST 14 FIRED LEADERS TO BE REHIRED.

4. MINEWORKERS AT SPCC'S ILO AND TOQUEPALA MINES GAVE NOTICE MARCH 8 OF THEIR INTENT TO STRIKE MARCH 13. THE MINEWORKERS SEEK THE REUTRN OF EXILED LEADERS VICTOR CUADROS AND LEGAL ADVISOR RICHARDO DIAZ CHAVEZ ALONG WITH THE REHIRING OF OTHER MINERS FIRED LAST JULY. THEY ALSO WANT THE GOVERNMENT TO RESCIND ITS EMERGENCY DECREE PROHBIBINT STRIKES IN THE MINING SECTOR. DURING THE WEEKEND THE GOP DECLARED THE STRIKE SHOULD NOT TAKE PLACE AND APPARENTLY TOOK A STRONG STAND IN TALKS WITH MINEWORKER REPRESENTATIVES. AS A RESULT, AFTER UNION MEETINGS OF THE RANK AND FILE IN TOQUEPALA AND ILO, THE MINEWORKERS HAVE POSTPONED THEIR SCHEDULED STRIKE UNTIL MARCH 27. EMBASSY UNDERSTANDS INFORMALLY THAT CENTROMIN, WHICH IS ALSO FACED WITH WAGE DEMANDS, PROTESTS OVER THE EMERGENCY MINING SECTOR DECREE AND THE FAILURE TO REHIRE  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LIMA 02227 141950Z

FIRED WORKERS, STILL IS NEGOTIATING WITH MINEWORKER REPRESENTATIVES. SO FAR CENTROMIN HAS OFFERED ONLY A 50 SOLES PER DAY HIKE VICE THE WORKER DEMANDS OF A 300 SOLES INCREASE.

5. THE TEXTILE WORKERS, MUNICIPAL EMPLOYEES AND RAILROAD WORKERS ARE ALL CONNNECTED TO THE APRA-RELATED LABOR CONFEDERATION, CTP, WHOSE OVERALL POSITION IS SUPPORTIVE OF THE GOVERNMENT OF MORALES BERMUDEZ. NONETHELESS, UNION LEADERS, IN ORDER TO MAINTAIN CREDIBILITY AND POWE, HAVE FOUND THAT THEY MUST RESORT TO STRIKES TO GAIN THE GOVERNMENT'S ATTENTION AND SECURE SOLUTIONS ACCEPTABLE TO THE RANK AND FILE. THE WAGE INCREASES AGREED IN RECENT SETTLEMENTS PROBABLY DO NOT REPRESENT GAINS IN REAL WAGES FOR THE WORKERS BUT INSTEAD ARE MERELY PARTIAL ADJUSTMENTS TO INCREASES IN THE COST OF LIVING. HOWEVER, AS LONG AS THE GOP REMAINS UNDER CONSIDERABLE PRESSURE FROM IMF TO HOLD DOWN PRICES AND WAGES, IT PROBABLY WILL FACE INCREASED THREATS OR ACTUAL STRIKES FROM OTHER TRADE UNION SECTORS. THE GOP CONTINUES AN ACTIVIE ANTI-STRIKE PROPAGANDA CAMPAIGN VIA NEWSPAPERS, TELEVISION AND RADIO AND SO FAR SEEMS TO BE REACHING SUCCESSFUL AGREEMENTS WITH THE TRADE UNION SECTOR BY ITS CARROT AND STICK POLICY.  
SHLAUDEMAM

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** WAGES, LABOR UNIONS, LABOR OBJECTIVES, LABOR STRIKES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 14 mar 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978LIMA02227  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780114-0663  
**Format:** TEL  
**From:** LIMA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780372/aaaaciqa.tel  
**Line Count:** 116  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 5aebf5c7-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION ARA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 LIMA 1214, 78 LIMA 798  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 20 jul 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3342539  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** LABOR UNREST  
**TAGS:** ELAB, PGOV, PE  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/5aebf5c7-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014